

# AUDIT AND GOVERNANCE COMMITTEE



Report subject	<b>Financial Regulations - Annual Evolution for the financial year 2021/22</b>
Meeting date	11 March 2021
Status	Public Report
Executive summary	<p>Evolutionary changes to the Council's Financial Regulations are summarised in this report and shown in red text throughout the document at Appendix A.</p> <p>Several minor editing changes have been made to take account of the EU transition period ending. Any mention of specific EU legislation has been replaced by UK legislation. In practice this is just a legislative terminology change; there are currently no changes to requirements.</p> <p>Part G Procurement and contract procedures is shown in red text throughout. Whilst much of the wording of each specific regulation has remained the same or similar, the numbering and ordering has been significantly changed to more intuitively follow a procurement cycle. This ordering change has been based on feedback from officers.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <p><b>The Financial Regulations as shown in Appendix A be approved and referred to Council for adoption.</b></p>
Reason for recommendations	The Council's Financial Regulations are subject to annual evolution to align to the start of each financial year.
Portfolio Holder(s):	Cllr Drew Mellor, Leader of the Council
Corporate Director	Graham Farrant, Chief Executive
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Wards	Council-wide
Classification	For Recommendation Approval

## Background

1. BCP Council's Financial Regulations currently form Part 5 of The Constitution.

2. Council agreed that the Financial Regulations (the Regulations) will be subject to a business as usual 'annual evolution' so they remain up-to-date and receptive to the rapidly changing internal and external environment in which the council operates. Such 'annual evolution' will normally be approved by Council.
3. As far as is practical the evolution of the Regulations will align to the start of the financial year.
4. Evolutionary changes are show in red text; this method transparently highlights the changes and negates the need for a page turn comparison to find out what has changed. Only the latest evolution is shown in red text, changes from previous year revert to standard black text.
5. The Chief Finance Officer (CFO), is responsible for maintaining and updating the Regulations and the Corporate Schedule of Financial Delegations, which is appendix 1 of the Regulations. The CFO had delegated authority from Council to make in-year amendments and editing changes which may be occasionally necessary, such as in cases of new or revised legislation or UK law or to correct errors, ambiguity or where unintended interpretation matters arise.
6. This annual evolution is formally known as BCP Financial Regulations EVO21.v1, where 21 stands for the financial year and v1 stands for the version agreed by Council. If the CFO makes any delegated amendments as per paragraph 5 above then this will be shown as v2, v3 and so on, as required.

### **Changes in BCP Financial Regulations EVO21.v1**

7. The list below summarises the main changes to Part G Procurement and Contract Procedures.
  - Several minor editing changes have been made to take account of the EU transition period ending. Any mention of specific EU legislation has been replaced by UK legislation. In practice this is just a legislative terminology change, there are currently no changes to requirements
  - Significant numbering, reordering and formatting to more intuitively follow a procurement cycle. This ordering change has been based on feedback from officers
  - Replace text and sentences with more intuitive user-friendly tables
  - Clarification of some roles and responsibilities (shown in tables)
  - Clarification requirements of Procurement Decision Records (PDR's) and waivers
8. There are no material changes in any other sections of the Regulations; some very minor acronym changes are explained in that section.

### **Options Appraisal**

9. The Council could choose to update, refresh, evolve the Financial Regulations on a less frequent basis than annually. There is an inherent and obvious risk with such an approach that the Financial Regulations could become out of date and fail to keep pace with the rapidly changing internal and external environment in which the Council operates.

### **Summary of financial implications**

10. The Financial Regulations provide the governance framework for managing the Council's financial affairs. 'How to' guidance and procedures are in place to compliment the specific requirements of the Regulations.

### **Summary of legal implications**

11. The Financial Regulations are Part 5 of the Council's Constitution and apply to every councillor and officer acting behalf of the Council.
12. The Local Government Act 1972 (Section 151) makes the Chief Finance Officer responsible for the proper administration of the Council's financial affairs. The Regulations are issued pursuant to these responsibilities.

### **Summary of human resources implications**

13. The Financial Regulations apply to every councillor and officer acting behalf of the Council.

### **Summary of sustainability impact**

14. Part G of the Financial Regulations includes requirements for commissioning officers and the Strategic Procurement Team (SPT) to follow to ensure the Council considers environmental sustainability when procuring works, goods and services.
15. A requirement to obtain local supplier quotes (BH, DT and SO postcodes) is included for purchases which are less than £25,000.
16. In the case where open tendering is required (purchases over £25,000), a minimum 10% sustainable evaluation criteria must be included within the quality element of the tender evaluation process (and thus also factored into tender specifications).

### **Summary of public health implications**

17. There are no direct public health implications from this report.

### **Summary of equality implications**

18. There are no direct equality implications from this report.

### **Summary of risk assessment**

19. Lack of compliance and awareness is the most significant and impactful risk in a Financial Regulations context. A continuous and evolving training, supporting and promoting programme exist utilising a range of activities including formal training, one-off bespoke awareness sessions, blogs and staff communications

### **Background papers**

None

### **Appendices**

Appendix A - BCP Financial Regulations EVO21.v1